

58-9-701 Preneed contract requirements.

- (1)
 - (a) A preneed funeral arrangement sold in Utah shall be evidenced by a written contract.
 - (b) The funeral service establishment shall maintain a copy of the contract until five years after all of the establishment's obligations under the contract have been executed.
- (2) The form for a written contract of a preneed funeral arrangement under Subsection (1) shall:
 - (a) be written in clear and understandable language printed in an easy-to-read type size and font;
 - (b) bear the preprinted name, address, telephone number, and license number of the funeral service establishment obligated to provide the services under the contract terms;
 - (c) clearly identify that the contract is a guaranteed product contract;
 - (d) provide that a trust is established in accordance with the provisions of Section 58-9-702;
 - (e) if the contract is funded by an insurance policy or product, provide that the insurance policy or product is filed with the Insurance Department and meets the requirements of Title 31A, Insurance Code; and
 - (f) conform to other standards created by rules made by division under Title 63G, Chapter 3, Utah Administrative Rulemaking Act, to protect the interests of buyers and potential buyers.
- (3) A preneed funeral arrangement contract shall provide for payment by the buyer in a form which may be liquidated by the funeral service establishment within 30 days after the day the funeral service establishment or sales agent receives the payment.
- (4) A preneed funeral arrangement contract may not be revocable by the funeral service establishment except:
 - (a) in the event of nonpayment; and
 - (b) under terms and conditions clearly set forth in the contract.
- (5)
 - (a) A preneed funeral arrangement contract may not be revocable by the buyer or beneficiary except:
 - (i) in the event of:
 - (A) a substantial contract breach by the funeral service establishment; or
 - (B) substantial evidence that the funeral service establishment is or will be unable to provide the personal property or services to the beneficiary as provided under the contract; or
 - (ii) under terms and conditions clearly set forth in the contract.
 - (b) The preneed funeral arrangement contract shall contain a clear statement of the manner in which payments made on the contract shall be refunded to the buyer or beneficiary upon revocation by the beneficiary.
- (6)
 - (a) A preneed funeral arrangement contract shall provide the buyer the option to require the funeral service establishment to furnish a written disclosure to a person who does not live at the same residence as the buyer.
 - (b) The preneed funeral arrangement buyer may choose:
 - (i) a full disclosure containing a copy of the entire preneed funeral arrangement contract;
 - (ii) a partial disclosure informing the recipient of:
 - (A) the existence of a preneed funeral arrangement contract; and
 - (B) the name, address, telephone number, and license number of the funeral service establishment obligated to provide the services under the preneed funeral arrangement contract; or
 - (iii) not to require the funeral service establishment to furnish a written disclosure to another person.

Amended by Chapter 30, 2012 General Session